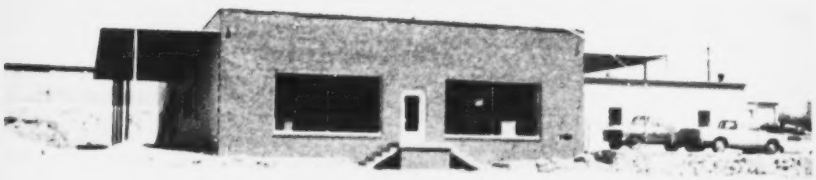
The business magazine of the farm & industrial equipment industry

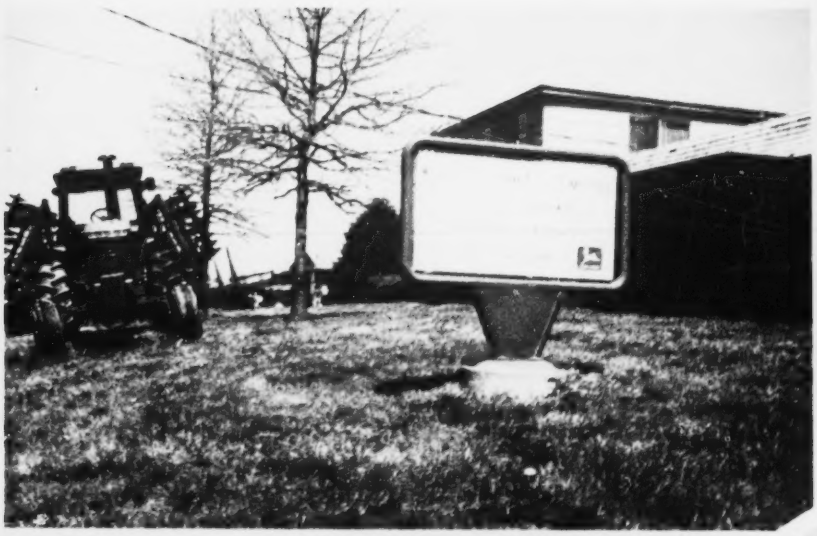
June 1984
TWO DOLLARS

Implement & Tractor

Dealer Attrition

How many have fallen? How will the rest survive? page 10





Dealer Replacement

The challenge is there – and the new dealers look ready to meet it! page 12

Manufacturers Edition
New Products

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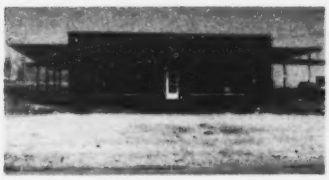

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On the cover... When the Deere dealership at Olathe, Kan., was closed, the new dealer, Dave Webb, moved to a location on the edge of town, occupying two houses that had been remodeled by the former tenant, a construction firm. Webb, who has farmed near Olathe for many years, also has banking experience and is a third-term member of the Kansas State Legislature.

10: Dealer Attrition. A survey by FEMA provides a rough count, corrected in part by some suppliers. How will the remaining dealers fare: More fold-ups? Watch for a changed marketing environment.

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I&T Update

Tractor Sales Showed Strength In April; Other Products Soft

Retail sales of farm tractors showed a unit increase of almost 15 per cent in April, according to the Farm & Industrial Equipment Institute's flash report. The only horsepower group that shows weakness is the 100-139 bracket. Sales of combines continued their downward trend while balers, forage harvesters and mower-conditioners held approximately even with April, 1983.

Unit Retail Sales

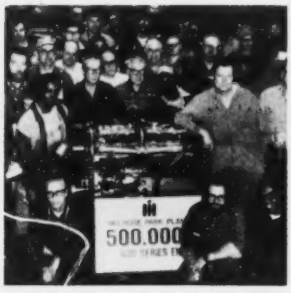
	April			January-April		
	1984	1983	Pct. Change	1984	1983	Pct. Change
Farm Wheel Tractors:						
2-wheel drive						
Under 40 hp	6,186	5,192	+19.1	15,162	14,278	+ 6.2
40-99 hp	4,194	3,618	+15.9	13,690	11,876	+15.3
100-139 hp	1,464	1,667	−12.2	3,742	5,265	−28.9
Over 140 hp	1,765	1,387	+27.3	5,312	3,700	+43.6
Total 2-wheel drive	**13,609**	**11,864**	**+14.7**	**37,906**	**35,119**	**+ 7.9**
4-wheel drive						
Under 200 hp	206	204	+ 1.0	642	610	+ 5.2
Over 200 hp	270	189	+42.9	1,031	757	+36.2
Total 4-wheel drive	**476**	**393**	**+21.1**	**1,673**	**1,367**	**+22.4**
Total All Tractors	**14,085**	**12,257**	**+14.9**	**39,579**	**36,486**	**+ 8.5**
S-P Combines	457	539	−15.2	2,467	3,645	−32.3
Balers (under 200-lb. bales)	496	505	− 1.8	1,645	1,736	− 5.2
Forage Harvesters (shear-bar type)	153	151	+ 1.3	518	626	−17.3
Mower-Conditioners	819	822	− 0.4	2,710	2,601	+ 4.2

Hesston's Sales Up, Losses Down In 1st Quarter

Hesston Corp. had net sales in the first quarter of 1984 of $42.1 million, an increase from the $37.6 million posted in the same 1983 period. The net loss of $2.8 million was an improvement on the 1983 loss of $4.87 million.

At a stockholders' meeting, Howard Brenneman, president and chief executive officer, said Hesston's effort to acquire more "Prime Line" dealers (handling the whole Hesston line, including tractors) was ahead of schedule.

A Pair of Milestones



While International Harvester was noting the production of its 500,000th 400-series diesel engine at Melrose Park, Ill., there was some similar celebrating at John Deere's Horicon (Wis.) Works as the 1-millionth Deere lawn and garden tractor rolled off the line.

IH began building the 400 series at the plant in 1971. Deere started turning out garden tractors at Horicon in 1963, reaching the half-million mark in 1977.

1st Quarter: Ag Equipment Makes Export Rebound

Exports of U.S. farm equipment in the first quarter of 1984 took a 23 per cent jump in dollar volume to $520 million after 1983 saw a 16 per cent decline from the previous year.

The most significant gainers in the first period were Canada (up 41 per cent to $239 million), Australia (up 185 per cent to $38 million), United Kingdom (up 16 per cent to $21 million), Belgium (up 14 per cent to $15 million), Venezuela (up 23 per cent to $7 million) and Libya (up from nowhere to $14 million).

Total 1983 farm equipment exports were $2.014 billion.

Jim Johnson Heads Marketing At Lilliston

James R. Johnson, who had been vice-president, sales and marketing, for Claas of America, has been named marketing vice-president for Lilliston Corp., Albany, Ga., according to James C. Mainwood, Lilliston president.

Johnson's career includes service as director of marketing services for White Farm Equipment Co. and 10 years in marketing assignments at Allis-Chalmers.

Michaels Joins Case; 4 Others To Major Posts

At J I Case Co., Jack D. Michaels has been named executive vice-president, agricultural equipment. He had been with International Harvester Co. for 24 years and was most recently president of the IH Agricultural Equipment Group.

Also appointed to top level positions were James J. Gill, executive vice-president, technology; John A. Borden, executive vice-president, finance and corporate planning; Robert R. Riebau, senior vice-president and general manager, components; and Earl W. Bunkers, vice-president and controller.

All except Bunkers report to Jerome K. Green, president and chief executive officer. Bunkers reports to Borden.

IH Ag Group: Aal Is President, Elliott Senior VP

Irvin E. Aal, who joined International Harvester Co. in October 1983 as senior vice-president of the Agricultural Equipment Group, has been named president of the group. He is succeeded by George C. Elliott, formerly the company's staff vice-president for worldwide purchasing.

Aal, who had been with Sperry New Holland for 22 years before his move to IH, succeeds Jack D. Michaels, who resigned. When Aal left Sperry New Holland, he held the post of vice-president and general manager, North America.

Elliott, who joined IH in 1981, is responsible for product planning, marketing, sales, quality and reliability in his new post. From 1968 to 1981, he was with Deere & Co.

Editor's Notebook
(continued)

more intensely.

Do I have any advice for manufacturers? None beyond the obvious: Pay attention not only to those Class I-A farmers who buy new equipment; remember that your welfare is tied to smaller operators, too. Focus harder on parts operations, for you and your dealers will need more cash flow from that direction from here on out.

And finally, do I have any suggestions? No, but I do have a question. What about overseas marketing of used farm equipment? Think how happy it would make all of us to see ships disappear over the horizon, laden with used equipment and bound for exotic ports where dollar-rich natives eagerly awaited their arrival.

I know that the British equipment industry used to have some rather lucrative overseas markets for used tractors in places like Turkey and North Africa. Another nice market was the United States. Specialists in the U.K. and some savvy American dealers dealt in late-model Fords and Massey-Fergusons.

Most of that business is gone. The British machinery trade today finds itself checking regularly to see how things are going over in Ireland, where its biggest offshore used equipment market now lies. Hard times in Ireland cut into U.K. used equipment turnover.

It might be possible to establish markets for American used equipment overseas, providing there is an infrastructure to go with it. When the economies of Latin American nations, particularly Mexico, were stronger, buyers came to auctions and dealers in the southern U.S. to buy older units. But currency problems have made U.S. used equipment too expensive for many of them.

Another problem is that the world's major tractor manufacturers are already working those markets and are not anxious for an influx of used stuff from here.

So perhaps I've answered my question. There are no easy solutions to the used equipment problem. Indeed, the only answer is to know what individual machines are really worth in the marketplace.

AUCTION PRICES OF USED EQUIPMENT

An exclusive I&T monthly report of actual prices paid recently at these leading national wholesale auctions.

Asterisk beside tractor price indicates highest bid offered on tractors which were not sold.

JONES FARM EQUIPMENT CO. Dothan, Alabama April 10, 1984

ALLIS-CHALMERS TRACTORS
7060 diesel, 1975 (Fair) 4000*
7030 diesel, 1974 (Rough) 2950*
D14, cult., plow, plt., 1958 (Good) 1200

CASE TRACTORS
2470 diesel, cab, duals, 1978 (Good) 7100
1370 diesel, cab, duals, 1974 (Good) 5450

DEUTZ TRACTOR
9006 diesel, 1972 (Fair) 2825

DAVID BROWN TRACTOR
1412 diesel, 1975 (Good) 3900

MASSEY-FERGUSON TRACTORS
1130 diesel, 1968 (Rough) 2400
1100 diesel, 1966 (Rough) 2350
1085 diesel, 1975 (Excellent) 6100*
1085 diesel, 1975 (Good) 4800*
1080 diesel, 1972 (Fair) 3100
590 diesel, (Good) 4000*
275 diesel, (Good) 4375
265 diesel, 1978 (Fair) 4550
265 diesel, 1977 (Good) 5500*
230 diesel, 1976 (Excellent) 4600
180 diesel, 1967 (Fair) 2850
165 diesel, 1971 (Excellent) 4200
165 diesel, 1966 (Fair) 2550
165 diesel, 1966 (Good) 3250
135 diesel, 1974 (Excellent) 3875
135 diesel, 1972 (Excellent) 4350
135, 1968 (Good) 3550
135 diesel, 1968 (Good) 3550
135 diesel, burned, 1966 (Rough) 700
135 diesel, 1966 (Good) 3150
50, 1958 (Good) 2100
40, 1957 (Good) 1750
35 diesel, 1963 (Excellent) 2400
35 diesel, 1962 (Good) 2000
TO30, 1953 (Excellent) 1600*

FORD-FERGUSON TRACTOR
9N, 1947 (Excellent) 1600

FORD TRACTORS
7700 diesel, 1978 (Excellent) 9000*
6600 diesel, cab, 1976 (Good) 6100*
6000 diesel, 1963 (Fair) 775
5000 diesel, 1967 (Fair) 3150
5000 diesel, 1967 (Rough) 2850
5000 diesel, 1966 (Rough) 2700*
5000 diesel, 1966 (Good) 4200
4600 diesel, 1976 (Good) 5000*
4600 diesel, 1976 (Good) 4700
4400 diesel, 1966 (Fair) 2750*
4000 diesel, 1966 (Rough) 1850
4000 diesel, 1974 (Excellent) 4200
4000 diesel, 1972 (Good) 3700
4000 diesel, 1967 (Fair) 2850
3000 diesel, 1969 (Good) 3550
3000 diesel, 1968 (Good) 3100*
3000 diesel, 1968 (Good) 3150*
3000 diesel, 1968 (Good) 3250
3000 diesel, 1968 (Good) 3625
3000 diesel, 1967 (Good) 3400
2000 diesel, 1966 (Good) 2300*
2000 diesel, 1964 (Good) 1900*
Maj., 1953 (Fair) 575
Maj., 1953 (Fair) 550
95 diesel, 1957 (Good) 1250*
851 diesel, 1958 (Fair) 1450
861 diesel, 1958 (Good) 1500
860, 1957 (Good) 1750
841 diesel, ldr., 1958 (Good) 1900*
641, 1956 (Fair) 1400
541, 1958 (Good) 1500*
Dexta, 1959 (Good) 1400*
Jub., 1953 (Fair) 1200*
8N, 1952 (Excellent) 1850
8N, 1952 (Excellent) 1900
8N, 1948 (Good) 1425
8N, 1950 (Good) 1650
8N, 1948 (Fair) 1375
8N, 1951 (Good) 1750
8N, 1948 (Fair) 1400
8N, 1952 (Good) 1750

INTERNATIONAL HARVESTER TRACTORS
1468 diesel, 1972 (Fair) 3400*
1466 diesel, 1975 (Rough) 3300*
784 diesel, cab, 1980 (Excellent) 6450
784 diesel, 1980 (Excellent) 6315
684 diesel, cab, 1980 (Excellent) 6400*
674 diesel, 1979 (Good) 4050
454 diesel, 1971 (Good) 3475*
2400 diesel, burned, (Rough) 325*
B414, 1962 (Rough) 700
B275 diesel, 1959 (Rough) 500
300, 1955 (Rough) 450*
100 diesel, hydro, 1974 (Good) 4500*
Sup. C, cult., plt., plow, 1953 (Good) 800
Sup. C, 1953 (Rough) 400
Sup. A, cult, 1953 (Good) 1400*
Sup. A, cult, 1953 (Good) 1850
H, 1944 (Rough) 225*
140, cult., plt., plow, 1963 (Good) 2500
A, 1941 (Good) 525

JOHN DEERE TRACTORS
4440 diesel, cab, 1978 (Excellent) 18,800
4240 diesel, 1978 (Fair) 10,000*
4030 diesel, 1975 (Excellent) 9000*
4020 diesel, 1969 (Good) 5000
3020 diesel, 1965 (Good) 3950
3020 diesel, 1964 (Fair) 3400
3010 diesel, 1962 (Good) 2700
2940, 1981 (Excellent) 9700*
2840 diesel, 1978 (Excellent) 8100
2840 diesel, duals, 1978 (Good) 6400*
2840 diesel, 1978 (Good) 5750*
2640 diesel, 1978 (Good) 6500*
2630 diesel, ldr., 1974 (Excellent) 9000
2440 diesel, cab, 1977 (Good) 5500
2120 diesel, (Good) 3700
2030 diesel, 1973 (Excellent) 4200*
1020 diesel, 1967 (Excellent) 3700
1010, 1961 (Fair) 1500
430, 1959 (Good) 1250*

KUBOTA TRACTORS
L260 diesel, (Good) 2400
L245 diesel, 1978 (Excellent) 2550

SATOH TRACTOR
Bull (Good) 3000

LONG TRACTORS
560 diesel, (Rough) 500
460 diesel, (Good) 3500

WHITE TRACTORS
2-105 diesel, 1976 (Good) 6900

OLIVER TRACTOR
55 diesel, 1955 (Rough) 500

YODER & FREY, INC. Archbold, Ohio April 9, 1984

INTERNATIONAL HARVESTER TRACTORS
Sup. C, 1952 (Good) 1250
Cub, 1961 (Fair) 1300
A, 1945 (Fair) 1200*
A, 1955 (Fair) 2150*
C, 1950 (Fair) 900*
C, 1952 (Rough) 600*
C, 1952 (Fair) 1650*
154 Lo-boy, 1972 (Fair) 2250

(Continued on page 37)

Dealer Attrition

By Bill Fogarty

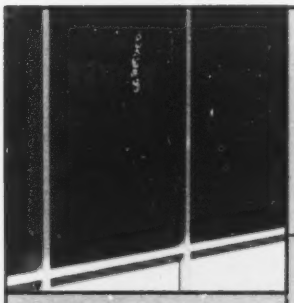
Survey by FEMA provides a rough count, corrected in part by some suppliers. How will the remaining dealers fare: More fold-ups? Watch for a changed marketing environment.

■WHAT'S the best gauge of farm equipment dealer retail attrition? The answer is easy: It's the semi-annual survey of state, regional and provisional dealer association managers taken by the Farm Equipment Manufacturers Assn.

And we have to say of that effort that it is flawed. We're not the only ones. Over at FEMA, Bob Schnell and the recently retired Harold Halter freely admit that some association managers don't always respond, and that they don't appear to keep records uniformly on such matters.

The manufacturers whose dealer body counts make up the survey also find fault with it—when we can get them to comment on it.

Granted, it has holes. But it's the



3 Years of DEALER ATTRITION in North America

(As reported from surveys of state, regional and provincial dealer association managers.)

Company	1981 1st six months	1981 2nd six months	1982 1st six months	1982 2nd six months	1983 1st six months	1983 2nd six months	Total 1981-1983
Allis-Chalmers	22	19	19	24	18	15	117
J I Case	17	10	17	10	13	12	79
John Deere*	14	13	14	12	18	21	92
Ford	37	22	24	24	15	16	138
International Harvester*	46	59	54	48	39	16	262
Massey-Ferguson	23	39	53	29	38	16	198
White Farm Equip.	13	17	12	14	14	15	85
Others	6	3	10	5	11	6	41
Shortline	10	19	23	12	14	11	89
Unidentified	20	16	23	7	8	9	83
Totals	**209**	**217**	**249**	**185**	**188**	**137**	**1,185**

SOURCE: Farm Equipment Manufacturers Assn.
*Different figures provided by manufacturer. See text.

only game in town. Nobody else is conducting such a continuing poll and regularly publishing its results.

One of the problems with it is that it doesn't tell us when a dealer has gone out in a six-month period and is replaced in the next six months. (Or maybe it does in some cases. I know at least one association manager who has a very exact method of responding to the survey in light of what he thinks is appropriate. There may be others.)

It also may not disclose a very typical situation: A dealer goes out. The company offers the franchise to a rival dealer nearby. It's accepted. Are we minus one or not? The company has the same contract count and the dealer association is minus one. Conversely, a dealer may expand by taking over a closed-out dealership a county or two away. There is one less company-dealer contract but the same number of association memberships.

With all that said, let's take a look at the table that FEMA has accumulated through three years. It indicates a total decline in dealer numbers from Jan. 1, 1981, to Dec. 31, 1983, of 1,185.

I&T sent copies of the FEMA table to marketing executives of the seven companies included in it and asked them to comment on its accuracy. What we hoped for, at best, was each company's number of North American dealers at the start of the three years, number of losses, number of replacements and number at the end of the period. Here's what we got:

• **J I Case** reported a net gain in dealerships and company-owned retail outlets in 1983.

• **International Harvester** had a net loss of agricultural dealers in the three fiscal years of 143. Earlier, International had told I&T that there was a net loss of 33 ag dealers in 1981 and that termination of 59 industrial dealers the same year may have produced some association member losses as well. IH also said that in the first half of 1982, there was a net ag dealer loss of 41, with 21 of these locations to be replaced. Also, another 38 industrial dealers were terminated in the same six-month period.

• **Deere & Co.** had 2,297 dealers in North America in January, 1981, and 2,180 three years later, a reduction of 117.

At deadline, there was no response from any of the other listed companies.

How many left?

In September, 1982, I&T estimated that there were 10,000 dealerships in North America that were members of dealer associations. This was based in part on a list of current members of United States dealer associations reported to the National Farm & Power Equipment Dealers Assn. as well as several estimates of Canadian dealer population. If we estimate attrition since then at about 500, we're looking at 9,500 farm equipment dealers currently active in North America. At least, there are that many who consider themselves dealers to the point of belonging to a dealer association.

Will more dealers fall out along the same patterns shown over the past three years? In I&T's view, more dropouts are yet to come, but not at the rate we've been witnessing. Here are our reasons:

• There is still far too much inventory of major pieces of new equipment. Even in good economic conditions, dealers have tended to give away too much of their margins and hoped to make it up on volume. But the volume isn't there in most markets, and this will cost us some dealers.

• Not enough dealers have retained a fair share of their potential parts market. Mass merchandisers have taken over a substantial slice of the fast moving side of this basically lucrative segment of the business. Result: Reduced cash flow from parts sales will take down some more dealers.

• And failure to capture service business, at a profit, as farmers are making do another season with present equipment, will be the last straw for others.

Now these are reasons why dealers go out of business in far better times. It's just that there's less room for error today. In addition, there are always dealers who close up just because the time has come to call it quits, and hanging it up becomes more appealing to some in tough times.

Dealers are better

On the other hand, there are reasons why we won't see as many fold-ups as we have in recent years. These reasons are aside from whatever improvements we might expect in the market outlook.

• First, what this industry has gone through in the last few years has produced a new breed of hardier, more management-oriented dealer. He is less inclined to let used equipment pile up. He's more decisive about accounts receivable. He avoids inventory load-ups.

• Further, he has started to regain his awareness of the soul of this business—parts and service. The edge that these two departments give him is becoming clearer and he's giving them the attention they deserve.

• Moreover, some dealers are recognizing that not all retail farm equipment businesses can make it selling only field equipment. They are spreading their wings a bit and will probably survive by taking on a variety of farm- or rural-related products—and thereby give the major companies a wider exposure than they would have otherwise.

• And some other dealers are recognizing that they don't have to limit themselves to farmers or contractors as customers.

Considering how severe the blows have been in the 'eighties, par-

(Continued on page 14)

Replacement *(continued)*

mostly we're seeing inactive owners putting up the money and hiring experienced managers with good track records. And dealerships are being bought right!"

7. "The replacements have been surprisingly good, both in terms of management skill and capitalization."

8. "I don't have any feeling either way, except to say that one company is making it too easy to get in; they require almost no up-front money, and they're losing dealers at a high rate. Meanwhile, I'm seeing some dealers taking on truck and auto franchises."

9. "Those I've met are impressive. They aren't sitting back and waiting for business to improve—they're going after some business that was being neglected. They're very aggressive.

"As for dealers going out of business, I'm afraid we haven't seen the last of it. I'm worried about 1985 and 1986."

Summing up

That word "aggressive" may be the tipoff, the answer to the question about how to persuade somebody to get into this business. There is a breed of businessman who understands the potential opportunity that exists in a troubled industry—perhaps partly because it *is* troubled.

Specifically, he perceives that he can get into the business at a rather attractive price. Second, he may sense that some of the veteran participants in the market have lost some of their zest for the game as times have gotten tough, and that he can take sales away from them. Third, he may feel confident that his skills as a businessman will be good enough to see him through the rest of the bad times and leave him poised to take maximum advantage of good times.

Early in this article, I cited a rather dismal statistic about average net profit to net worth. I must admit I let that figure impress me. But when I heard the dealer development specialists speak so optimistically and the association managers speak so approvingly of the new entrants, I went back and checked the NFPEDA Cost of Doing Business study again.

This time, I examined only what the high-profit dealers were doing. The high-profit dealers are those whose net income was in the top 25 per cent of reporting dealerships. There are four divisions of agricultural equipment dealer in the study according to volume—under $1 million, $1-2 million, $2-3 million and over $3 million. Here's their net profit as a percentage of net worth:

Under $1 million—**20.1**
$1-2 million—**19.4**
$2-3 million—**21.3**
Over $3 million—**29.1**

All of them are a far cry from the 5.3 per cent notched by the average dealer. True, a high-risk business should be able to produce better results than these, given sound management and reasonable market conditions. But market conditions haven't been reasonable. When they get better, you can expect to see those high-profit dealers—the new ones and the veterans—coming in with much better numbers.

Congratulations, then, to the industry marketers who have been recruiting dealer replacements on a quality level. I believe it because of the witness of those association managers. (And to any marketers who put in dealers who shouldn't be there because they lack the skills or the finances, my condolences, because you'll have to do the job over again before long, and it will be even tougher.) I&T

Dealer Attrition *(Continued from page 11)*

ticularly in comparison to the soaring expectations—and overinvestment—of the 'seventies, it appears that dealers as a whole haven't done too badly. True, there has been a lot of erosion of net worth, but a lot of that existed only on paper, and surviving dealers are generally much healthier than most surviving companies.

Things will change

Watch dealers in the next few years. More of them will find new ways of surviving that haven't generally been considered before. Remember, there is still a huge agriculture throughout North America that has definite needs with regard to all facets of power application.

It's also an agriculture whose practitioners have need for reasonably convenient services. Some dealers will find ways of staying physically close to those farmers, selling other, non-related products along with equipment to justify their presence. And they may sell to others besides farmers.

There was a time when the farm equipment industry needed over 30,000 dealers in North America. That post-war mechanization job was finished many years ago, and the need has been declining ever since for the *kind* of dealer who could operate in terms of 1950s expectations, but could do little more.

We've all heard most of the requirements or expectations that dealers must meet in the '80s and '90s—high-quality personnel, efficient facilities, refined parts inventories, financial strength, etc. I'd like to add to all that.

Dealers who want to survive through the rest of the century will have to achieve a new flexibility. Specifically, they will have to sense, even anticipate, the ever-changing needs of their customers, and each farmer's needs will be increasingly different from other farmers, even neighbors. And then the dealer will have to go out and find the best response to that farmer's need. I doubt that it will be as easy as before, when many dealers could count on one or at most two major manufacturers, plus a few distributors and shortline firms, to come up with everything their farmers wanted.

Rather, as farmers get more specific in their demands for new approaches to their very individualized farming objectives, dealers will have to be very creative in finding the equipment that gets the job done.

The challenge is there and the need is there. Best of luck to everybody who wants to give it a try. I&T

U.S. SALES FORECAST UPDATE, 1984, 1985

(Unit Retail Sales)

Product	Actual Sales 1983	Sales in 1984 as seen in Jan. 1984	Sales in 1984 as seen in May 1984	Sales in 1985 as seen in Jan. 1984	Sales in 1985 as seen in May 1984
Farm Tractors:					
Under 40 hp	45,601	46,300	46,750	47,600	48,250
40-99 hp	38,083	41,300	41,000	44,200	44,000
100 hp and over	28,154	31,500	31,000	33,250	33,000
Four-wheel drive	5,099	6,100	6,000	6,500	6,400
Total Farm Tractors	**116,937**	**125,200**	**124,750**	**151,550**	**121,650**
S-P Combines	12,751	17,250	16,000	19,250	16,800
Corn Heads	6,830	9,950	8,650	11,850	10,000
Forage Harvesters (1)	4,091	4,300	4,100	4,550	4,300
Balers, Square (2)	9,037	8,725	8,700	8,750	8,500
Balers, Round (3)	12,200E	13,500	12,800	14,600	13,825
Windrowers	2,593	3,450	3,315	3,550	3,450
Mower-Conditioners	14,261	14,500	14,825	15,200	15,200
Grinder-Mixers	4,018	4,550	4,300	4,800	4,600

E—I&T estimates. (1) Shear-bar type. (2) Bales under 200 lbs. (3) Bales over 200 lbs.
Source: Farm & Industrial Equipment Institute

FIEI Sales Forecast Is Downscaled

By Bill Fogarty

■INDUSTRY EXECUTIVES, having participated in a December survey on the 1984-85 sales outlook (see I&T, Feb.), took another look at their prospects for the same two years in a poll taken in March.

Their outlook, as reported at the Marketing & Management Conference of the Farm & Industrial Equipment Institute in May, is for improvement over 1983, but not as much as had been anticipated several months earlier.

For instance, in terms of overall retail dollar volume, the group's expectation for 1984 went from a 10 per cent improvement down to an 8 per cent gain.

Tractor unit sales expectations similarly were off slightly—from 125,200 units to 124,750—but still an improvement on the 116,937 tractors sold in 1983. In the first four months of 1984, actual retail sales totaled 39,579 units, an 8.5 per cent gain from the same 1983 period.

The combine retail sales forecast appeared to puzzle many participants in the conference. The outlook last December was for a strong 23 per cent improvement from the 12,751 units sold in 1983. The updated forecast was even stronger—a 25 per cent rise to 16,000 units. But by the end of April, combine sales of 2,467 units were down 32 per cent from the same four months of 1983.

The update forecast on combines was made by eight participating companies. One of these expected a modest improvement of 9 per cent; three others saw it at from 16 to 21 per cent; four others predicted an increase of 28 to 32 per cent. The 25 per cent figure is a median.

Later, some participants in the survey noted that a lot can happen between the time the survey form is issued in March and the report is given in mid-May. Several suggested that the survey be taken, collated and delivered over the two-day span of the conference as an approach to making the report more valuable.

John W. Snead (Sperry New Holland) served as reporter of the State of the Industry forecast to the conference participants.

The Marketing & Management Conference of the Farm & Industrial Equipment Institute was held May 16-18 at Oconomowoc and West Bend, Wis. Gehl Co., based in West Bend and celebrating its 125th anniversary, acted as host company. Next conference is scheduled for Jan. 27-29, 1985, at Frenchman's Reef, St. Thomas, Virgin Islands. I&T

1984-85 Forecasts on Other Products: Spreaders, Tillage, Agri-Equipment

(Per cent change from previous year, unit volume)

	Jan. forecast 1984	Jan. forecast 1985	May forecast 1984	May forecast 1985
Manure Spreaders	+ 4.0	+ 5.0	+ 1.5	+ 2.0
Moldboard Plows	+ 5.0	0	+ 5.0	0
Disk Harrows	+ 10.0	+ 5.0	+ 8.0	+ 5.0
Field Cultivators	+ 9.0	+ 8.0	+ 8.7	+ 7.5
Chisel Plows	+ 10.0	+ 5.3	+ 9.0	+ 5.3
Portable Augers, Elevators	+ 8.0	+ 5.0	+ 5.0	+ 5.0
In-Bin Dryers	+ 5.0	+ 6.0	+ 5.0	+ 5.0
Batch, Continuous-Flow Dryers	+ 15.0	+ 10.0	+ 15.0	+ 10.0
Grain Bins	+ 5.0	+ 10.0	+ 1.5	+ 8.0
Milking Machines	+ 2.5	+ 5.0	0	0
Dairy/Beef Equipment	+ 5.0	+ 5.0	0	0
Hog Equipment	+ 4.0	+ 8.0	+ 3.0	+ 4.0
Lawn/Garden Equipment	+ 8.0		+ 10.0	

Source: Farm & Industrial Equipment Institute

Auctions

(Continued from page 4)

184, 1977 (Fair) 2550*
H, 1948 (Rough) 410
H, 1945 (Rough) 425*
H, 1948 (Rough) 435*
H, 1951 (Fair) 825
H, 1950 (Fair) 850
H, 1950 (Fair) 700*
H, 1945 (Rough) 475
H, 1950 (Rough) 250
H, 1948 (Fair) 525
H, 1950 (Good) 650
SH, 1951 (Rough) 600
M, 1951 (Fair) 750*
M, 1948 (Fair) 1050*
W6, 1957 (Fair) 700
W6 285
140, 1972 (Fair) 2625
240, 1961 (Rough) 700*
300, 1955 (Fair) 880
300, 1955 (Rough) 1650*
300, 1955 (Rough) 1950
300, 1956 (Fair) 1500
400, ... 320
400, 1954 (Good) 1000
450 diesel, 1958 (Fair) 925
450, 1957 (Rough) 800*
450, 1958 (Rough) 700
450, 1957 (Fair) 1275*
450, 1957 (Rough) 575
450, 1957 (Good) 1100*
450, 1957 (Fair) 1100*
460, 1961 (Rough) 1000*
460, 1961 (Rough) 1000*
460, 1959 (Rough) 1100*
460, 1958 (Rough) 1500*
560, 1961 (Fair) 1500
560, 1961 (Fair) 2000*
560, 1960 (Rough) 1550
560, 1959 (Good) 2200
560, 1960 (Rough) 1600*
584, Idr., 1980 (Excellent) 11,500
656, 1971 (Fair) 3250*
656, 1970 (Fair) 3250*
656, 1970 (Fair) 2600*
656, 1968 (Fair) 2600*
666, 1975 (Fair) 3500*
706, 1962 (Fair) 2200*
706, 1963 (Fair) 2700*
706, 1963 (Good) 4500*
706, 1963 (Rough) 3100*
706, 1965 (Rough) 1550
706, 1967 (Good) 3000*
706, 1964 (Rough) 2250*
756, 1970 (Fair) 2050*
756, 1970 (Fair) 3400*
756, 1968 (Fair) 2800*
766, 1974 (Fair) 4050*
784, 1978 (Good) 7000*
806, 1965 (Fair) 3800*
806, 1965 (Rough) 2850*
806, 1964 (Fair) 3650
806, 1965 (Fair) 2600*
806, 1964 (Rough) 1400
806 diesel, 1965 (Fair) 5300*
806 diesel, 1963 (Fair) 4800*
826, 1969 (Good) 6200*
856 diesel, 1971 (Good) 6200*
856, 1970 (Good) 5600*
856, 1969 (Fair) 6000*
856, 1968 (Fair) 6200
856, 1970 (Fair) 3750
966, 1972 (Good) 8500
966, 1972 (Fair) 6900
966, 1975 (Good) 8150
966, 1973 (Fair) 5500*
966 diesel, 1976 (Fair) 8100*
1066, 1975 (Fair) 6500*
1066, 1974 (Fair) 6900
1086, 1978 (Fair) 12,500*
1086, 1977 (Good) 13,400
1086, 1978 (Fair) 7600
1206, 1965 (Rough) 4800
1206, 1966 (Rough) 4700
1206, 1966 (Fair) 5800
1206, 1965 (Good) 5550
1256 diesel, 1969 (Fair) 6100*
1256, 1970 (Rough) 5000*
1456, 1968 (Good) 7400
1456, 1971 (Rough) 4150
1466, 1972 (Fair) 4250*
1466, 1975 (Fair) 7750*
1466, 1972 (Rough) 4250*
1466, 1975 (Good) 8200
1466, 1975 (Fair) 8100*
1466, 1972 (Good) 7400*
1566, 1975 (Fair) 6500
1566, 1976 (Good) 10,600*
1566, 1972 (Fair) 7750*
3588, 1980 (Good) 16,500*

MINNEAPOLIS-MOLINE TRACTORS

Jet Star, ... 350
M-670 diesel, 1965 (Fair) 2000
G-900 diesel, (Fair) 2800
G-900, (Fair) 3000

DEUTZ TRACTOR

D4004, 1980 (Excellent) 4075

MASSEY-HARRIS TRACTOR

44, 1949 (Fair) 650

FORD TRACTORS

8N, 1951 (Fair) 1200
8N, 1950 (Fair) 1550
8N, 1952 (Good) 1475*
9N, 1946 (Rough) 875*
9N, 1944 (Rough) 875*
9N, 1943 (Rough) 800*
9N, 1946 (Fair) 1275
9N, 1943 (Fair) 1100
600, 1957 (Fair) 2100*
800, 1956 (Fair) 2050
901, 1958 (Good) 2625
2000, 1963 (Fair) 2725
3400, 1969 (Rough) 3100*
3000, 1970 (Fair) 3300
4000, 1967 (Fair) 3050
4000, 1967 (Fair) 3200*
4000, 1974 (Good) 4500*
4000, 1968 (Fair) 2800
4000, 1973 (Fair) 2850
5000, 1966 (Rough) 3000*
5000, 1974 (Good) 5850
5000, 1974 (Good) 5100*
6100, 1961 (Fair) 1200*
8000, 1973 (Fair) 4100*
8000, 1972 (Rough) 4300*
4400, 1973 (Fair) 3600
6600, 1976 (Good) 7300*
FW-20, 1978 (Good) 13,500*
880, ... 2700
Jub., 1953 (Fair) 2150
Jub., 1953 (Good) 2250
Jub., 1954 (Fair) 1850
Jub., 1953 (Rough) 2300
Jub., 1953 (Fair) 2050

ALLIS-CHALMERS TRACTORS

B, 1977 (Fair) 2600
C, 1950 (Rough) 600
G, 1952 (Fair) 1000*
WD-45, 1953 (Fair) 725
WD-45, 1954 (Rough) 575
WD-45, 1949 (Rough) 500*
D-14, ... 1475
D-15, 1966 (Good) 2450
D-17, 1964 (Good) 1500*
D-17, 1966 (Fair) 2600*
D-17, 1963 (Good) 1925*
D-17, 1963 (Fair) 1450
D-17, 1963 (Rough) 1625
D-17, 1962 (Rough) 1575
D-21, 1966 (Fair) 4400*
180 diesel, 1970 (Fair) 4300

(More...)

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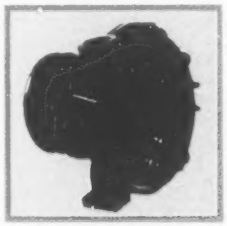

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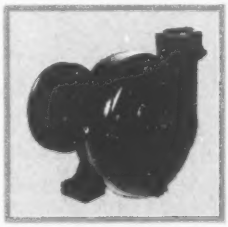

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Auctions *(continued)*

190, 1970 (Fair) 2300*
190XT diesel, 1968 (Good) 3400
190XT, 1957 (Fair) 4800
190XT, 1965 (Rough) 2800*
190XT, 1966 (Fair) 3200*
190XT, 1970 (Good) 5300*
190XT, 1970 (Fair) 4050
190XT, 1970 (Good) 5250
220, 1972 (Fair) 3900*
7040, 1975 (Good) 6250*

WHITE TRACTORS

2-150, ... 7500*
4-180, ... 10,000

CASE TRACTORS

400, 1957 (Rough) 675
530, 1964 (Rough) 1100*
630, 1963 (Fair) 1250*
730, 1966 (Fair) 2400*
830, 1966 (Fair) 1525
900, 1957 (Rough) 525
1030 diesel, 1965 (Fair) 3400
1030, 1968 (Good) 3600*
1030, 1968 (Good) 2950
1370, 1973 (Fair) 9700
2670 diesel, 1972 (Fair) 10,250*

JOHN DEERE TRACTORS

A, 1951 (Fair) 450*
B, 1944 (Rough) 500
70 diesel, ... 350
60, 1954 (Rough) 975
530, 1960 (Good) 1425*
G, ... 750
620, 1957 (Rough) 1900*
620, 1956 (Fair) 1900
630, 1959 (Good) 1800*
630, 1958 (Fair) 2150
720 diesel, 1957 (Rough) 1050
720, 1957 (Fair) 1300
720 diesel, 1957 (Fair) 1600*
720, 1957 (Fair) 1575
720 diesel, 1955 (Fair) 1050*
730 diesel, 1960 (Good) 1650
730, 1959 (Good) 3800
820, (Fair) 2250*
820, 1956 (Fair) 1700*
830, 1958 (Good) 2250
1520, (Fair) 3300
2010, 1961 (Rough) 1800*
2010 diesel, 1962 (Fair) 3200
2010, 1962 (Rough) 3400*
2030 diesel, 1978 (Fair) 6500*
2030, 1974 (Fair) 5000*
2030, 1974 (Fair) 3100
2030, 1974 (Fair) 3600
2240, 1979 (Fair) 5100*
2440 diesel, (Rough) 5900
2840 diesel, 1979 (Good) 7400*
2840, 1978 (Excellent) 9700
2840, 1978 (Fair) 8700
3010 diesel, 1962 (Good) 4150
3010, 1962 (Rough) 2400
3010, 1962 (Fair) 3350
3020, 1966 (Good) 4450
3020, 1967 (Good) 4500*
3020, 1966 (Rough) 3700*
4010, 1963 (Rough) 4050
4010, 1962 (Fair) 3600*
4010, 1963 (Fair) 1900*
4010 diesel, 1963 (Fair) 4200*
4010 diesel, 1962 (Fair) 3400*
4010 diesel, 1964 (Rough) 3800*
4010, ... 4400
4020, 1966 (Fair) 5700*
4020, 1965 (Good) 5300
4020, 1970 (Good) 7200
4020, 1967 (Fair) 5100
4020 diesel, 1966 (Fair) 4600*
4020 diesel, 1968 (Good) 7000*
4020 diesel, 1965 (Good) 5500
4020, 1968 (Rough) 3050
4020 diesel, 1964 (Fair) 3250*
4020, 1965 (Fair) 3150*
4020 diesel, 1967 (Fair) 4700*
4020 diesel, 1965 (Good) 5700
4020 diesel, 1968 (Fair) 5600
4020 diesel, 1964 (Fair) 5000*
4020 diesel, 1966 (Fair) 5200*
4020, 1965 (Fair) 3800*
4020 diesel, ... 5500
4020 diesel, 1967 (Fair) 6000*
4020 diesel, 1965 (Fair) 5200*
4020, 1965 (Fair) 5250*
4230, 1973 (Fair) 10,250*
4230, 1976 (Fair) 8100*
4320 diesel, 1971 (Fair) 7300*
4430 diesel, 1976 (Good) 12,800*
4430, 1975 (Excellent) 12,600*
4430 diesel, 1975 (Fair) 9000*
4430, ... 12,750
4430 diesel, 1977 ..... 11,150*
4430, ... 13,000
4430, 1975 (Good) 14,300
4630 diesel, ... 8500
7520 diesel, 1972 (Good) 13,500*
2130 diesel, 1976 (Fair) 2700

FERGUSON & MASSEY-FERGUSON

35, 1963 (Fair) 2425*
35, 1960 (Fair) 2300*
85, 1960 (Fair) 1200*
85, 1962 (Fair) 1700
165, 1968 (Fair) 3300*
165, 1971 (Fair) 2500*
165, 1970 (Fair) 3200*
165, 1969 (Fair) 3000*
165, 1972 (Fair) 2850
1085, 1976 (Good) 10,500*
1085, 1975 (Rough) 4350
11100, 1969 (Rough) 4000
1105, 1977 (Rough) 6100*
1130, 1973 (Rough) 7500
1135, 1975 (Good) 6500*

OLIVER TRACTORS

77, 1950 (Rough) 475
88, 1952 (Rough) 575
1250, (Fair) 1700
1650, 1965 (Fair) 3325
1750, 1966 (Rough) 3000*
1650, 1967 (Fair) 3700*
1850, 1965 (Fair) 3450
1855, 1973 (Fair) 4600*
1855, 1970 (Fair) 5800
1950, 1966 (Fair) 2100*
1955, 1972 (Fair) 4500
2-45, 1980 (Good) 6500

DAVID BROWN TRACTORS

780, 1967 (Good) 1300
990, 1964 (Rough) 1000*
1200, 1969 (Fair) 2500
1200, 1974 (Rough) 3700*
1200, 1970 (Fair) 2500

STEIGER TRACTOR

Bearcat, 1971 (Good) 12,000

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